

# Exhibit B

[HOME](#)[What's New](#)[National Report](#)[Politics](#)[Business](#)[Asia & World](#)[Sci & Tech](#)[Culture](#)[Travel](#)[Sports](#)[Opinion](#)[Special](#)The Asahi Shimbun > [Opinion](#) > [Views](#) > article

## INTERVIEW/ Eiji Hashimoto: Nippon Steel chooses U.S., not China, to return to top of industry

THE ASAHI SHIMBUN

July 17, 2025 at 17:59 JST

[Share](#)[Tweet](#)[Print](#)[list](#)

Eiji Hashimoto, chairman and chief executive officer of Nippon Steel Corp., speaks during an interview on July 8. (Kotaro Ebara)



Nippon Steel Corp.'s acquisition of U. S. Steel required nerves of steel, which Eiji Hashimoto, the company's chairman and chief executive officer, known as the "iron negotiator," has in abundance.

Last year, the company's bid for the storied U.S. steelmaker was opposed both by outgoing U.S. President Joe Biden and Donald Trump, then the Republican presidential candidate.

Trump, who returned to the White House, eventually approved the deal after Nippon Steel decided to enter into a national security agreement with the U.S. government and issue a "golden share," which enables Washington to veto key management decisions of U. S. Steel.

Looking back on the year-and-a-half-long negotiations with the U.S. administration, Hashimoto said governments becoming increasingly involved in the economy is a new global trend, not something unique to the United States.

While Nippon Steel spent about \$14 billion (2 trillion yen) to purchase U. S. Steel, the company has substantially downsized operations in China.

With the world's two superpowers being increasingly decoupled, Hashimoto said his company has chosen to work with the United States, instead of China.

### Trending Now

[Last 24 hours](#)[Last 7 days](#)

**1. Sanseito, DPP sharply increase their presence in Upper House**



**2. Survey: New Shinkansen stations rapidly gain following**



**3. VOX POPULI: Study suggests xenophobia as the 'default' is a conformity issue**



**4. VOX POPULI: Xenophobia gains**



**2025 Upper House election**

### Videos

Nippon Steel was the world's fourth-largest steelmaker in crude steel production in 2024. The acquisition of the 29th-placed U. S. Steel put the company closer behind Chinese rival Ansteel Group Corp., which ranked third.

Hashimoto said Nippon Steel will build a new mill in the United States, its first in more than half a century, through U. S. Steel as part of its strategy for a resurgence in the global steel industry.

Excerpts from the interview with Hashimoto follow:

\* \* \*

**Question:** U. S. Steel, which offered to sell itself to a rival due to financial difficulties, once competed for the top spot in the world's steel industry. How did Nippon Steel secure Trump's approval for bringing the iconic American steelmaker under its umbrella?

**Hashimoto:** Trump has a precise goal of reviving the U.S. manufacturing industry. To meet his goal, we promised to invest in U. S. Steel's plant and equipment. We also argued that simply imposing high tariffs on imports was not enough to rehabilitate the industry. I believe that Trump was eventually convinced and changed his mind.

The Trump administration's series of actions were not anything special to one country, but taken against the backdrop of a new trend common in the world. It is a trend of governments becoming increasingly involved in the economy and business through industrial policy.

**Q:** Will you elaborate?

**A:** While addressing geopolitical risks such as the U.S.-China confrontation, countries around the world must balance economic growth and the prevention of global warming. Neither companies nor government alone can meet these two formidable challenges. The only way is for the public and private sectors to join forces. China has been giving priority to state-owned enterprises. Japan is also trying to rebuild its chip industry under a government initiative.

**Q:** The shift appears particularly striking in the United States because the country tended to leave the economy to the private sector and the market. What is your observation?

**A:** During the Cold War, the United States favored Japan to confront the Soviet Union. But once the Cold War was won, the United States bashed Japan, which had become economically stronger, and went easy on China. It established the World Trade Organization to promote free trade and helped China join in 2001.

However, China, the biggest beneficiary of free trade, has become too strong and also confronted the United States militarily. That is why the United States shifted its policy. I do not expect this trend to change under either a Republican or a Democratic administration.

**Q:** Government involvement in companies in particular stands out in the steel industry. The British and Australian governments are also rehabilitating weakened steelmakers. Why?

**A:** I think there are two reasons. One is the magnitude of the impact of a steelmaker going bankrupt. A wide range of manufacturing industries depends on steel products.

The other is the structure of the steel industry, which tends to result in excess production. Steel is indispensable for a country's industrialization and urbanization. As steel mills usually take 10 years to start operations, they are designed with the capacity to meet demand for an increase in domestic consumption and exports. However, as the country develops, domestic demand passes its peak and production capacity becomes excessive.

China's steel demand is the largest in the world, but it has begun to shrink since reaching its peak in 2020. State-owned manufacturers and other companies have been exporting large quantities of steel that became redundant amid the country's real estate slump at low prices, which is worsening market conditions around the world. Excess production capacity should be reduced, but the government cannot make the decision, considering the impact on tax revenues and employment.



### Kagoshima city shows how to live beside a volcano neighbor

July 19, 2025



### Air show held to celebrate expo exceeding 10 million visitors

July 14, 2025



### Japanese teen makes debut as Chinese opera 'face-changer'

July 14, 2025

## Recommended

### YOASOBI

A peek through the music industry's curtain at the producers who harnessed social media to help their idols go global.



### Diplomatic Documents

A series based on diplomatic documents declassified by Japan's Foreign Ministry



### Memories of Hiroshima and Nagasaki

Here is a collection of first-hand accounts by "hibakusha" atomic bomb survivors.



### Taste of Life

Cooking experts, chefs and others involved in the field of food introduce their special recipes intertwined with their paths in life.



**Q:** Why has Nippon Steel downsized Chinese operations?

**A:** The Chinese government has collected data from state-owned manufacturers and spent public funds on the development of advanced technologies. Last summer, we decided to dissolve an automotive steel sheet joint venture with Baoshan Iron and Steel Co., which is under (the world's largest crude steel producer) China Baowu Steel Group Corp.

**Q:** Amid the ongoing decoupling between the United States and China, Nippon Steel is clearly shifting to the United States. What is the reason?

**A:** In business, we lose unless we keep an eye on international rules and trade rules and stand by those who formulate them. China, which became stronger under the rules created by the United States, is suffering because the United States has changed those rules. When we must choose between the two, it is taken for granted that Japan will side with the United States.

We are focusing on the U.S. and Indian markets. With the population projected to increase, demand for steel is expected to grow. As the United States and India are politically opposed to China, their markets are also important because we can avoid negative effects of steel being exported from China at low prices.

**Q:** Nippon Steel promised to invest 1.6 trillion yen in U. S. Steel's plant and equipment, up from the 400 billion yen indicated to the Biden administration. Why was the amount increased?

**A:** To the Biden administration, which valued its relationship with the (steelworkers') union, we only presented (investments) to renovate the mills where its members worked. In the commitment to the Trump administration, we included all the investment projects we originally planned, including those for nonunionized mills. The increased investment was the deciding factor (for Trump's approval).

**Q:** Nippon Steel signed a national security agreement, in which it promised not to cut U. S. Steel's production capacity without Washington's approval, and will also issue a golden share. Won't these impose constraints on the company's management of its subsidiary?

**A:** There is no disagreement between Nippon Steel, which aims to expand its business, and the Trump administration, which intends to oversee the implementation of the investment. Neither the national security agreement nor the golden share will prevent us from doing what we want to do.

**Q:** Of U. S. Steel's nine directors, Nippon Steel has given the U.S. government the authority to appoint an external director and approve the appointments of two others. Won't this shackle the company's operations in the future?

**A:** Nippon Steel will nominate the remaining six directors, a majority. There is no problem at all.

**Q:** Who proposed issuing the golden share?

**A:** Nippon Steel did. It includes the word "golden," a favorite for Trump. It made it easier for him to explain to the American people that he had gained something great.

U. S. Steel is one of the companies that have long supported the United States and made it prosper. The United States won World War II on the back of industrial strength represented by companies like U. S. Steel and Ford Motor Co. In deciding whether to approve the acquisition of U. S. Steel, it is only natural that the U.S. government tried to be cautious in the extreme and oversee (the implementation of) the investment.

Imagine if Nippon Steel fell into financial difficulties and were about to be purchased by a foreign company. I do not think the Japanese government would make a judgment based solely on economic rationality.

**Q:** Why was Nippon Steel adamant about acquiring all shares in U. S. Steel?

## Memories of Nikkei Americans

A series about Japanese-Americans and their memories of World War II



Asahi Shimbun on Twitter

## Learning English

Asahi Weekly

## In-house News and Messages

## Link

The New York Times



**A:** We need to share cutting-edge technologies with U. S. Steel to rebuild its operations. It was essential to obtain a 100-percent stake to prevent the outflow of technologies. We had informed the Trump administration that we would rescind our buyout bid altogether if Washington did not approve the full ownership.

**Q:** You are often called the “iron negotiator” for being unafraid of causing friction and willing to take risks. What is your view about risks in business?

**A:** When I was president, Nippon Steel substantially raised prices of automotive steel sheets and acquired a steel mill in India. Some people were opposed, but no matter what you do, there are risks. The biggest risk is that the company will continue to shrink without taking any risks. Companies that can effectively manage risks will be the winners.

When I joined Nippon Steel in 1979, the company was the world’s top steelmaker and Japan’s largest manufacturing company. However, our presence in the industry declined, and we were surpassed in sales by Toyota Motor Corp. As a sales representative dealing with the automaker, I concluded that Nippon Steel was overtaken because automakers had taken on challenges overseas.

“Shrinking equilibrium” is a source of misguided thinking. If you just shrink, you will never reach a state of balance. Shrinking will deteriorate human resources, reduce vitality and result in further downsizing. A company will fail unless it takes risks to grow.

**Q:** Nippon Steel was not always willing to take risks. What changed the company?

**A:** The circumstances happened to be favorable. The cost of raw materials was low due to deflation, and we were able to secure manpower without raising wages because there were plenty of workers. Interest rates were low and even below 0 percent for some time. Now everything has been reversed. Prices have risen and workers are in short supply. Interest rates have also risen, albeit slightly. We have no other choice but to try to grow.

**Q:** At a news conference following the acquisition of U. S. Steel, you promised a resurgence of Nippon Steel. What is your vision, including for its domestic business?

**A:** The expansion of overseas operations and the maintenance of domestic operations are indispensable to each other, like the two wheels of a cart. Although domestic demand will decrease, we will maintain manufacturing bases in Japan by becoming the overwhelming top player, and develop technologies, including those for decarbonization. We will further increase the weight of high-end products that cannot be made in China and reduce costs by renovating facilities. The money required for this cannot be earned in Japan alone. We will expand overseas business and increase profits, which will be returned to Japan.

Nippon Steel constructed many plants until around the time it became the world’s leading steelmaker. However, no new mills have been built since the 1970s, and none of us has experience. Nippon Steel will build a new mill in the United States. We can develop human resources by dispatching people overseas and giving them opportunities.

(This article is based on an interview by Seisaku Yamamoto.)

\* \* \*

Born in Kumamoto Prefecture in 1955, Eiji Hashimoto joined Nippon Steel Corp. in 1979, before its merger with Sumitomo Metal Industries Ltd. in 2012. He worked mainly in sales and also handled exports and overseas business. Hashimoto became president in 2019 and has served as chairman and chief executive officer since 2024.

## Related News



### Nippon Steel plans new U.S. mill to compete against Chinese

July 11, 2025



### Nippon Steel happy with U.S. deal despite hefty trade-offs

June 19, 2025



### 'Golden share' to help U.S. Steel retain identity, thwart job drain

June 16, 2025



### Nippon Steel's bid for U.S. Steel driven by brisk demand in U.S.

October 20, 2024



### Trump tells U.S. steelworkers he's going to double tariffs on foreign steel to 50%

May 31, 2025



### Trump says U.S. has a 'golden share' in U.S. Steel

June 13, 2025

Share

Tweet

Print

[list](#)

[BACK TO TOP](#)

[About Us](#) | [Site Policy](#) | [Privacy](#) | [Copyright](#) | [Contact Us](#) | [Transmission of user information to external service providers \(利用情報の外部送信\)](#)

Copyright © The Asahi Shimbun Company. All rights reserved. No reproduction or republication without written permission.